



9/23/99 ROENOV71999PLDETAIL

	August	May	Dec	1997	1996	1994
Sales	2,674,848	1,623,770	4,341,924	4,539,615	4,580,615	3,672,828
Materials	1,628,712	80.9%	2,660,288	61.3%	2,799,667	61.8%
Labor Direct	245,982	9.2%	371,215	8.5%	340,827	7.5%
Printing Supplies	63,317	2.4%	102,669	2.4%	99,190	2.1%
Subcontract - Printing	-	0.0%	-	0.0%	845	0.0%
Taxes & Benefits	48,455	1.8%	72,506	1.7%	87,928	1.9%
Equipment Repairs / Tools	14,248	0.5%	28,226	0.7%	19,416	0.4%
Delivery	22,388	0.8%	75,928	1.7%	77,363	1.7%
Depreciation	22,388	0.8%	75,928	1.7%	77,363	1.7%
Cost of Sales	2,094,436	78.3%	3,429,721	79.0%	3,618,670	77.5%
Gross Margin	580,413	21.7%	912,203	21.0%	1,020,946	22.5%
Selling	9,043	0.3%	25,791	0.6%	24,493	0.5%
T. & E.	7,417	0.3%	10,489	0.2%	5,936	0.1%
Commissions	81,203	3.0%	177,002	4.1%	182,904	4.0%
Salaries	9,134	0.3%	24,762	0.6%	34,059	0.8%
Taxes & Benefits	32,340	1.2%	19,681	0.5%	21,320	0.5%
Advertising	-	0.0%	6,484	0.1%	3,188	0.1%
Total	129,137	5.2%	270,465	6.2%	271,902	6.0%
Rent	85,480	3.2%	123,120	2.8%	102,720	2.3%
Trash Removal	1,879	0.1%	3,522	0.1%	4,051	0.1%
Utilities	26,275	1.0%	43,827	1.0%	34,917	0.8%
Real Estate Taxes	14,021	0.5%	15,505	0.4%	13,353	0.3%
Repairs & Maint	9,827	0.4%	3,231	0.1%	13,353	0.3%
Depreciation - Leasehold	1,937	0.1%	4,006	0.1%	4,305	0.1%
Total	139,419	5.2%	193,213	4.4%	173,312	3.8%
Salaries	50,785	1.9%	83,898	1.9%	72,921	1.6%
Taxes & Benefits	8,494	0.3%	21,950	0.5%	15,592	0.3%
Retirement/401k Plan	5,891	0.2%	-	0.0%	-	0.0%
Insurance	31,520	1.2%	18,854	0.8%	30,527	0.7%
Office	21,249	0.8%	45,268	1.0%	41,764	0.9%
Interest	26,568	1.0%	48,674	1.1%	50,528	1.1%
Professional	25,695	1.0%	16,161	0.4%	8,228	0.2%
Other	4,182	0.2%	2,250	0.1%	3,989	0.1%
Telephone	16,964	0.6%	24,827	0.6%	23,073	0.5%
Depreciation FFE	7,054	0.3%	4,008	0.1%	3,373	0.1%
Data Processing	2,832	0.1%	7,536	0.2%	3,597	0.1%
Service Contract/Dues	3,575	0.1%	8,895	0.2%	8,670	0.2%
Goodwill Amort	-	0.0%	-	0.0%	-	0.0%
Total	204,807	7.7%	296,511	6.8%	262,396	6.0%
Operating Income	87,050	3.6%	106,878	6.6%	313,336	6.9%
Offshore Salaries	108,800	4.1%	211,027	4.9%	305,672	6.7%
Offshore Taxes & Benefits	16,905	0.6%	44,480	1.0%	44,191	1.0%
Total	125,705	4.7%	255,507	6.9%	349,863	7.7%
Net Income (Before PS, Taxes)	(28,655)	-1.1%	(103,493)	-2.4%	(36,527)	-0.8%
Officers' Bonus	-	0.0%	-	0.0%	-	0.0%
Net Income (Before Taxes)	31,358	1.2%	83,944	1.9%	85,041	1.9%
Depreciation	26,568	1.0%	48,674	1.1%	50,528	1.1%
Inkross	25,695	1.0%	16,161	0.4%	8,228	0.2%
Prof. Fees/AMORT GDWL	64,966	2.1%	45,286	1.0%	107,270	2.4%
EBITDA	64,966	2.1%	45,286	1.0%	107,270	2.4%

PURCHASE PRICE \$2MM

Envelope Jet Shop
Financial Analysis
Detail P/L

9/23/99ROENV07199PLDETAIL

PURCHASE PRICE

\$2MM

Financial Analysis		Detail P/L		PROFORMA \$2MM		YEAR 1		YEAR 2		YEAR 3		YEAR 4	
Sales	5,400,000	100%	6,480,000	100%	7,780,000	100%	9,331,000	100%	100%	100%	100%	100%	
Materials	3,308,569	61.3%	3,970,283	61.3%	4,766,790	61.3%	5,717,085	61.3%	61.3%	61.3%	61.3%	61.3%	
Labor Direct	461,676	8.5%	554,011	8.5%	665,155	8.5%	797,759	8.5%	8.5%	8.5%	8.5%	8.5%	
Printing Supplies	127,937	2.4%	153,524	2.4%	184,324	2.4%	221,070	2.4%	2.4%	2.4%	2.4%	2.4%	
Subcontract - Printing	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Taxes & Benefits	90,175	1.7%	108,210	1.7%	129,919	1.7%	156,819	1.7%	1.7%	1.7%	1.7%	1.7%	
Equipment Repairs / Tools	35,104	0.7%	42,125	0.7%	50,576	0.7%	60,659	0.7%	0.7%	0.7%	0.7%	0.7%	
Delivery	147,612	2.7%	177,135	2.7%	212,671	2.7%	255,068	2.7%	2.7%	2.7%	2.7%	2.7%	
Depreciation	67,148	1.2%	87,148	1.0%	97,148	0.9%	115,825	0.7%	0.7%	0.7%	0.7%	0.7%	
Cost of Sales	4,238,221	78.5%	5,072,435	78.3%	6,076,582	78.1%	7,274,807	78.0%	78.0%	78.0%	78.0%	78.0%	
Gross Margin	1,161,779	21.5%	1,407,565	21.7%	1,703,418	21.9%	2,058,393	22.0%	22.0%	22.0%	22.0%	22.0%	
Selling	20,000	0.4%	25,000	0.4%	30,000	0.4%	35,000	0.4%	0.4%	0.4%	0.4%	0.4%	
Commissions	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Salaries	162,000	3.0%	194,400	3.0%	233,400	3.0%	279,930	3.0%	3.0%	3.0%	3.0%	3.0%	
Taxes & Benefits	48,600	0.9%	58,320	0.9%	70,020	0.9%	83,979	0.9%	0.9%	0.9%	0.9%	0.9%	
Auto - 4 (R&D)	20,000	0.4%	25,000	0.4%	30,000	0.4%	35,000	0.4%	0.4%	0.4%	0.4%	0.4%	
Advertising	5,000	0.1%	6,500	0.1%	7,000	0.1%	7,500	0.1%	0.1%	0.1%	0.1%	0.1%	
Total	255,600	4.7%	309,220	4.8%	370,420	4.8%	441,409	4.7%	4.7%	4.7%	4.7%	4.7%	
Occupancy	75,120	1.4%	75,120	1.2%	75,120	1.0%	75,120	0.8%	0.8%	0.8%	0.8%	0.8%	
Rent	5,500	0.1%	6,000	0.1%	6,500	0.1%	7,000	0.1%	0.1%	0.1%	0.1%	0.1%	
Utilities	36,000	0.7%	39,000	0.6%	43,000	0.6%	47,000	0.5%	0.5%	0.5%	0.5%	0.5%	
Real Estate Taxes	14,000	0.3%	14,000	0.2%	14,000	0.2%	14,000	0.2%	0.2%	0.2%	0.2%	0.2%	
Repairs & Maint	20,000	0.4%	25,000	0.4%	30,000	0.4%	35,000	0.4%	0.4%	0.4%	0.4%	0.4%	
Depreciation-lease hld	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Total	150,620	2.8%	159,120	2.5%	168,620	2.2%	178,120	1.8%	1.8%	1.8%	1.8%	1.8%	
ADMIN	73,000	1.4%	76,650	1.2%	80,483	1.0%	84,507	0.9%	0.9%	0.9%	0.9%	0.9%	
Salaries	21,900	0.4%	22,995	0.4%	24,145	0.3%	25,362	0.3%	0.3%	0.3%	0.3%	0.3%	
Taxes & Benefits	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.0%	0.0%	0.0%	0.0%	
Insurance	32,000	0.6%	35,000	0.5%	38,000	0.5%	41,000	0.4%	0.4%	0.4%	0.4%	0.4%	
Office	30,000	0.6%	33,000	0.5%	36,000	0.5%	38,000	0.4%	0.4%	0.4%	0.4%	0.4%	
Interest	61,567	1.1%	50,034	0.8%	49,933	0.6%	34,818	0.4%	0.4%	0.4%	0.4%	0.4%	
Professional	5,000	0.1%	6,000	0.1%	7,000	0.1%	8,000	0.1%	0.1%	0.1%	0.1%	0.1%	
Other	5,000	0.1%	5,000	0.1%	5,000	0.1%	5,000	0.1%	0.1%	0.1%	0.1%	0.1%	
Telephone	24,000	0.4%	24,960	0.4%	25,958	0.3%	26,997	0.3%	0.3%	0.3%	0.3%	0.3%	
Depreciation FFE	8,208	0.1%	8,208	0.1%	8,208	0.1%	8,208	0.1%	0.1%	0.1%	0.1%	0.1%	
Data Processing	4,000	0.1%	5,000	0.1%	6,000	0.1%	7,000	0.1%	0.1%	0.1%	0.1%	0.1%	
Service Contracts/Dues	7,500	0.1%	8,000	0.1%	8,500	0.1%	9,000	0.1%	0.1%	0.1%	0.1%	0.1%	
Goodwill Amort	115,825	2.1%	115,825	1.8%	115,825	1.5%	115,825	1.2%	1.2%	1.2%	1.2%	1.2%	
Total	385,798	7.1%	388,469	6.0%	402,849	5.2%	401,502	4.3%	4.3%	4.3%	4.3%	4.3%	
Operating Income	369,762	6.8%	550,756	8.5%	761,528	9.8%	1,035,362	11.1%	11.1%	11.1%	11.1%	11.1%	
Officers Salaries	156,000	2.9%	156,000	2.4%	78,000	1.0%	78,000	0.8%	0.8%	0.8%	0.8%	0.8%	
Officers Taxes & Benefits	35,000	0.6%	35,000	0.5%	17,500	0.2%	17,500	0.2%	0.2%	0.2%	0.2%	0.2%	
Total	191,000	3.5%	191,000	2.9%	95,500	1.2%	95,500	1.0%	1.0%	1.0%	1.0%	1.0%	
Net Income (Before PS, Taxes)	178,762	3.3%	359,756	5.6%	666,028	8.6%	939,862	10.1%	10.1%	10.1%	10.1%	10.1%	
Officers' Bonus	35,752	0.7%	71,951	1.1%	66,603	0.9%	93,886	1.0%	1.0%	1.0%	1.0%	1.0%	
Net Income (Before Taxes)	143,009	2.6%	287,804	4.4%	599,425	7.7%	845,876	9.1%	9.1%	9.1%	9.1%	9.1%	
Depreciation	73,354	1.4%	73,354	1.1%	73,354	0.9%	73,354	0.8%	0.8%	0.8%	0.8%	0.8%	
Interest	61,567	1.1%	50,034	0.8%	49,933	0.6%	34,816	0.4%	0.4%	0.4%	0.4%	0.4%	
Prof. Fees/AMORT GDWL	115,625	2.1%	115,625	1.8%	115,625	1.5%	115,625	1.2%	1.2%	1.2%	1.2%	1.2%	
EBITDA	393,555	7.3%	526,818	8.1%	838,337	10.8%	1,069,670	11.5%	11.5%	11.5%	11.5%	11.5%	

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2/29/99ROENV071999BS

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PURCHASE PRICE \$2MM											
Assets	8/31/99	PURCHASE	ENTRY	AFTER	PURCHASE	ENTRY	PURCHASE	ENTRY	AFTER	PURCHASE	ENTRY
Cash	34,304	1,000	35,304	541,785	242,793	5,748	675,000	810,000	972,500	1,166,375	363,772
Accounts Receivable	541,785	-	541,785	242,793	5,748	675,000	810,000	972,500	1,166,375	363,772	5,748
Inventory	242,793	-	242,793	5,748	-	5,748	253,663	303,870	363,772	5,748	-
Prepays	5,748	-	5,748	-	-	-	5,748	-	-	-	-
Current Assets	824,630	1,000	825,630	892,700	1,069,411	1,282,118	1,636,895	1,636,895	1,636,895	1,636,895	1,636,895
Fixed Assets	692,184	(237,368)	454,815	454,815	454,815	454,815	454,815	454,815	454,815	454,815	454,815
Machinery	116,199	(84,609)	31,590	31,590	31,590	31,590	31,590	31,590	31,590	31,590	31,590
Office Equipment	10,734	(1,734)	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Leasehold Impr.	48,189	(48,189)	-	-	-	-	-	-	-	-	-
Accumulated Depreciation	(660,601)	660,601	-	-	-	-	-	-	-	-	-
Net Fixed Assets	206,706	288,700	486,406	421,113	348,822	272,630	198,239	198,239	198,239	198,239	198,239
Other Assets (Goodwill)	1,813	1,734,368	1,809,198	1,809,198	1,809,198	1,809,198	1,809,198	1,809,198	1,809,198	1,809,198	1,809,198
Total Assets	1,033,148	2,024,068	3,130,293	3,007,387	2,884,182	3,018,973	3,198,458	3,198,458	3,198,458	3,198,458	3,198,458
Liabilities	832,547	-	832,547	621,670	744,504	691,667	1,068,239	1,068,239	1,068,239	1,068,239	1,068,239
Accounts Payable	832,547	-	832,547	621,670	744,504	691,667	1,068,239	1,068,239	1,068,239	1,068,239	1,068,239
Current Portion of LTD	-	-	-	-	-	-	-	-	-	-	-
Credit Line	-	-	-	-	-	-	-	-	-	-	-
Accrued Liabilities & Taxes	9,318	-	9,318	19,999	426,136	380,344	40,000	40,000	40,000	40,000	40,000
Current Liabilities	941,865	-	941,865	1,068,262	1,343,810	1,458,401	1,509,233	1,509,233	1,509,233	1,509,233	1,509,233
Notes Payable: WFT Bank	169,867	(169,867)	300,000	225,000	150,000	75,000	-	-	-	-	-
Notes Payable: Wells	106,397	300,000	300,000	225,000	150,000	75,000	-	-	-	-	-
Notes Payable: Leases	28,796	164,022	52,175	94,188	53,178	(28,827)	-	-	-	-	-
Notes Payable	52,175	-	52,175	24,010	(4,155)	(32,320)	(60,485)	(60,485)	(60,485)	(60,485)	(60,485)
Purchase Payable	1,700,000	1,700,000	1,700,000	1,500,000	1,100,000	600,000	-	-	-	-	-
NonCurrent Liabilities	387,236	1,984,156	2,187,388	1,843,198	1,289,028	654,858	(89,312)	(89,312)	(89,312)	(89,312)	(89,312)
Total Liabilities	1,299,100	1,994,155	3,129,233	2,911,460	2,642,838	2,111,259	1,499,921	1,499,921	1,499,921	1,499,921	1,499,921
Stockholders Equity	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Common Stock	(247,296)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Retained Earnings (Deficit)	(28,656)	-	-	-	-	-	-	-	-	-	-
Due to Officers	-	-	-	-	-	-	-	-	-	-	-
Total Stockholders Equity	1,033,148	1,995,155	1,000	143,259	422,409	1,003,098	1,808,611	1,808,611	1,808,611	1,808,611	1,808,611
Total Liab. & Equity	1,033,148	1,995,155	3,130,233	3,054,719	3,066,247	3,114,367	3,308,432	3,308,432	3,308,432	3,308,432	3,308,432
SALES	111,974	87,384	71,086	47,332	3,066,247	3,114,367	3,308,432	3,308,432	3,308,432	3,308,432	3,308,432
PURCHASES	9,331,000	7,780,000	6,480,000	5,400,000	3,970,283	4,766,780	5,717,085	5,717,085	5,717,085	5,717,085	5,717,085
GROSS MARGIN	2,055,567	1,702,592	1,406,738	1,160,953	1,406,738	1,702,592	2,055,567	2,055,567	2,055,567	2,055,567	2,055,567
DEPRECIATION	74,292	74,292	74,292	74,292	74,292	74,292	74,292	74,292	74,292	74,292	74,292
NET INCOME	805,413	580,689	421,409	142,258	279,150	580,689	805,413	805,413	805,413	805,413	805,413
AMORTIZATION	115,625	115,625	115,625	115,625	115,625	115,625	115,625	115,625	115,625	115,625	115,625

Balance Sheet
 Financial Analysis
 Envelope Jet Shop

PURCHASE PRICE \$2MM

Envelope Jet Shop Financial Analysis

ASSUMPTIONS SECOND ROUND

RO ENVELOPE ASSET PURCHASE

- 1 PURCHASE ALL ASSETS OF THE COMPANY FOR \$2,000,000
- 2 ASSUME ALL LIABILITIES INCLUDING DUE TO OFFICERS.
- 3 WILL CAPITALIZE NEW COMPANY WITH \$250,000 IN CASH
- 4 WILL BORROW \$1,750,000 @ 9 %, PAYABLE IN 5 YEARS
- 5 WILL ASSUME EQUIPMENT DEBT @ 9 %, PAYABLE IN 4 YEARS
- 6 WILL NEED TO SECURE A LINE OF CREDIT FOR \$250,000.
- 7 PAY DUE TO OFFICERS OVER 5 YEARS WITH 5% INTEREST
- 8 GOODWILL TO AMORTIZE OVER 15 YEARS
- 9 DEPRECIATION OF EQUIPMENT 10 YEARS S/L, OFFICE 10 YEARS S/L,
- 10 TRANSPORTATION 5 YEARS, LEASEHOLD 15 YEARS S/L.
- 11 TURN A/R 8 TIMES
- 12 TURN INVENTORY 9 TIMES
- 13 TURN A/P 5 TIMES
- 14 P/L ASSUMES VARIABLE COST WILL CHANGE WITH SALES VOLUME.
- 15 OFFICER COMPENSATION WILL BE \$100,000. PER, INCLUDING BENEFITS

$$269,214 @ 5\% = 13,461$$

$$1,500,000$$

$$1,750,000 @ 8.5\% = 148,750$$

~~218,215~~

$$218,215 @ 8.5\% = 18,549$$

~~180,760~~

$$100,000$$

$$250,000$$

$$21,250$$